



UNITED STATES POSTAL INSPECTION SERVICE  
CHICAGO DIVISION

**Memorandum on the Calculation of Efoora, Inc. Shareholder Loss and Restitution.  
Prepared by U.S. Postal Inspector Paul Krenn, CPA, U.S. Postal Inspection Service.**

**Revision 1. Incorporating Additional Findings as of June 10, 2008**

At defendant Craig Rappin's request, the government reviewed with Mr. Rappin the loss calculations, to aid him in understanding how the figures were developed. During the course of this review, and upon further research based on questions raised by Mr. Rappin, several changes have become necessary to loss calculation submitted to the court.

The previous document provided the following summary as to restitution owed by each defendant:

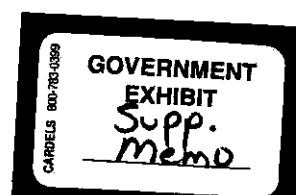
*"According to these calculations, Rappin owes restitution in the amount of \$39,649,195. We have calculated the total amount due from Grosky at \$50,004,263. We have calculated the total amount due from Dokich at \$55,130,612. The amounts are not mutually exclusive. The following chart summarizes the amount due from each defendant, and the period from which this amount originated."*

Period	Rappin		Grosky		Dokich	
	Shares	Value	Shares	Value	Shares	Value
	Certificates		Certificates		Certificates	
6/1/1999 -	83,015,329	\$ 39,649,195	83,015,329	\$ 39,649,195	83,015,329	\$ 39,649,195
3/1/2004	4,789		4,789		4,789	
3/1/2004 -			39,064,831	10,355,068	39,064,831	10,355,068
6/30/2005			1,394		1,394	
6/30/2005 -					33,812,363	5,126,349
5/31/2006					380	
Totals	83,015,329	\$ 39,649,195	122,080,160	\$ 50,004,263	155,892,523	\$ 55,130,612
	4,789		6,183		6,563	

**Restitution, By Defendant, By Covered Period**

The first set of revisions is as follows, and results in a net overall decrease of \$6,990.06. Given the dates of the victim's investments, and based upon the periods used to calculate the individual defendants' apportionment, the calculation is not equal as to all defendants.

The following table discloses the net change in restitution, by victim, and the impact to each defendant.



Certificate ID	Shares	Previous Restitution Amount	Revised Restitution Amount	Issue Date	David Grosky	Melvin Dokich	Craig Rappin
12385	2,000	480.00	1,000.00	12/1/2005		520.00	
10439	6,000	1,440.00	1,980.00	3/5/2004	540.00	540.00	
12030	4,694	1,126.56	10,561.50	4/21/2005	9,434.94	9,434.94	
11248	4,000	960.00	4,000.00	9/2/2004	3,040.00	3,040.00	
5037	33,000	7,491.00	6,006.00	5/9/2000	(1,485.00)	(1,485.00)	(1,485.00)
10469	26,935	-	945.42	3/15/2004	945.42	945.42	945.42
7526	50,000	-	1,755.00	4/29/2002	1,755.00	1,755.00	1,755.00
7528	50,000	-	1,755.00	4/29/2002	1,755.00	1,755.00	1,755.00
7525	50,000	-	1,755.00	4/29/2002	1,755.00	1,755.00	1,755.00
7529	50,000	-	1,755.00	4/29/2002	1,755.00	1,755.00	1,755.00
7527	50,000	-	1,755.00	4/29/2002	1,755.00	1,755.00	1,755.00
7988	34,167	-	1,199.26	11/8/2002	1,199.26	1,199.26	1,199.26
11615	4,400	-	154.44	11/24/2004	154.44	154.44	154.44
7694	1,587	-	55.70	7/3/2002	55.70	55.70	55.70

Certificate ID	Shares	Previous Restitution Amount	Revised Restitution Amount	Issue Date	David Grosky	Melvin Dokich	Craig Rappin
5790	1,000	230.00	1,000.00	8/29/2000	770.00	770.00	770.00
5819	133	30.59	199.50	9/20/2000	168.91	168.91	168.91
5820	67	15.41	100.50	9/20/2000	85.09	85.09	85.09
5757	1,000	230.00	1,000.00	8/29/2000	770.00	770.00	770.00
8630	10,000	25,000.00	20,000.00	6/19/2003	(5,000.00)	(5,000.00)	(5,000.00)
10085	1,000	-	2,000.00	1/16/2004	2,000.00	2,000.00	2,000.00
4992	80,000	18,160.00	20,000.00	5/9/2000	1,840.00	1,840.00	1,840.00
4558	2,000	454.00	500.00	3/30/2000	46.00	46.00	46.00
6783	102,000	57,120.00	25,500.00	9/20/2001	(31,620.00)	(31,620.00)	(31,620.00)
5793	1,000	230.00	2,000.00	8/29/2000	1,770.00	1,770.00	1,770.00
4565	1,000	250.00	500.00	3/30/2000	250.00	250.00	250.00
5754	667	153.41	1,000.50	8/29/2000	847.09	847.09	847.09
5792	2,500	575.00	2,500.00	8/29/2000	1,925.00	1,925.00	1,925.00
5760	1,000	230.00	1,000.00	8/29/2000	770.00	770.00	770.00
5822	133	30.59	199.50	9/20/2000	168.91	168.91	168.91

Certificate ID	Shares	Previous Restitution Amount	Revised Restitution Amount	Issue Date	David Grosky	Melvin Dokich	Craig Rappin
7485	10,000	2,500.00	25,000.00	4/15/2002	22,500.00	22,500.00	22,500.00
10910	35,000	49,700.00	35,000.00	5/14/2004	(14,700.00)	(14,700.00)	(14,700.00)
5750	1,200	276.00	1,200.00	8/29/2000	924.00	924.00	924.00
5791	2,500	575.00	2,500.00	8/29/2000	1,925.00	1,925.00	1,925.00
6152	20,000	11,200.00	5,000.00	2/20/2001	(6,200.00)	(6,200.00)	(6,200.00)
4243	11,700	2,925.00	2,492.10	10/19/1999	(432.90)	(432.90)	(432.90)
7716	73	54.75	200.02	7/30/2002	145.27	145.27	145.27
8977	100	75.00	-	8/28/2003	(75.00)	(75.00)	(75.00)
8978	200	150.00	-	8/28/2003	(150.00)	(150.00)	(150.00)
5798	500	115.00	750.00	8/29/2000	635.00	635.00	635.00
6904	10,000	5,600.00	2,500.00	10/4/2001	(3,100.00)	(3,100.00)	(3,100.00)
5963	1,000	230.00	1,500.00	10/6/2000	1,270.00	1,270.00	1,270.00
3989	25,000	5,000.00	-	6/14/1999	(5,000.00)	(5,000.00)	(5,000.00)
5979	33	7.59	49.50	10/24/2000	41.91	41.91	41.91
10716	1,000	230.00	1,500.00	4/13/2004	1,270.00	1,270.00	1,270.00

Certificate ID	Shares	Previous Restitution Amount	Revised Restitution Amount	Issue Date	David Grosky	Melvin Dokich	Craig Rappin
8815	11,000	8,250.00	2,750.00	8/5/2003	(5,500.00)	(5,500.00)	(5,500.00)
7507	1,600	2,400.00	4,000.00	4/15/2002	1,600.00	1,600.00	1,600.00
5960	500	115.00	750.00	10/6/2000	635.00	635.00	635.00
4716	3,300	749.10	-	4/11/2000	(749.10)	(749.10)	(749.10)
			Net Change		(7,510.06)	(6,990.06)	(20,525.00)

The impact of this change upon the individual defendants is as follows:

- David Grosky, a reduction of \$7,510.06
- Melvin Dokich, a reduction of \$6,990.06
- Craig Rappin, a reduction of \$20,525.00

This reduction is offset, however, as to David Grosky and Melvin Dokich, with the inclusion of investor losses attributed to Revenue Royalty Rights, which were sold to investors from approximately March 25, 2004 through September 4, 2004. Owners of the units were to be entitled to receive 2% of the Company's revenues for a five year period from the date of investment acceptance, paid semi-annually. In the event the owner of the royalty rights units did not receive at least a 2-1 return on original investment at the end of 5 years, royalty revenues continued until 200% was received by the investor. According to company documents prepared for an all employee meeting as of December 7, 2004, the company had raised one million dollars from the sale of revenue royalty rights. Subsequent to the preparation of the first loss document filed with the court, we have located copies of subscription agreements, investor checks, and a company prepared spreadsheet which, when combined, total \$847,500 in additional investor losses.

Last Name	First Name	Company Name	2nd Last Name	2nd First Name	Shares	Resti-tution Price per Share	Total Restitution	Issue Date
	DENNIS			GLENDA	16	2,500	40,000	9/3/2004
	GARY			MARY	8	2,500	20,000	7/7/2004
	STEVEN			CHERYL	4	2,500	10,000	7/13/2004
	RICHARD L			LOU ANN	4	2,500	10,000	7/27/2004
	ERICH				4	2,500	10,000	6/21/2004
	JOSE				80	2,500	200,000	7/16/2004
	RUSSELL				4	2,500	10,000	8/20/2004
	NANCY				2	2,500	5,000	7/19/2004
	GARY				1	2,500	2,500	7/1/2004
	LAWRENCE				4	2,500	10,000	3/24/2004
	STEVEN				10	2,500	25,000	8/19/2004
	CARL				1	2,500	2,500	7/13/2004
	HERBERT				5	2,500	12,500	7/13/2004
	OSCAR				2	2,500	5,000	8/25/2004
	BARBARA				1	2,500	2,500	9/4/2004
	Theo. Paul				4	2,500	10,000	7/26/2004
	EDWARD			PATRICIA	20	2,500	50,000	7/13/2004
	JOHN				1	2,500	2,500	8/2/2004
	CLINT				4	2,500	10,000	7/13/2004
	WILLIAM				2	2,500	5,000	7/13/2004
	ORRIN				4	2,500	10,000	7/21/2004
	MARSHALL				12	2,500	30,000	8/16/2004
	ROBERT			JUANA	2	2,500	5,000	3/25/2004
	GEORGE			ESTHER	1	2,500	2,500	8/26/2004
					10	2,500	25,000	8/9/2004

<b>Last Name</b>	<b>First Name</b>	<b>Company Name</b>	<b>2nd Last Name</b>	<b>2nd First Name</b>	<b>Shares</b>	<b>Resti-tution Price per Share</b>	<b>Total Restitution</b>	<b>Issue Date</b>
	ROBERT				10	2,500	25,000	9/8/2004
	SUSAN				4	2,500	10,000	6/28/2004
	JOHN				2	2,500	5,000	9/15/2004
	JEANINE				5	2,500	12,500	8/2/2004
	LLOYD				2	2,500	5,000	7/19/2004
	DANIEL				2	2,500	5,000	7/13/2004
					100	2,500	250,000	7/22/2004
					8	2,500	20,000	8/9/2004
						Total	847,500	

Given the additional losses enumerated above, the final loss calculation by defendant is determined is as follows:

<b>Item</b>	<b>D. Grosky</b>	<b>M. Dokich</b>	<b>C. Rappin</b>
Opening Loss Calculation	50,004,263	55,130,612	39,649,195
Reduction for Updated Information on Previous Investors	-7,510	-6,990	-20,525
Addition for Inclusion of Royalty Rights Investors	847,500	847,500	0
Revised Restitution Amount	50,844,253	55,971,122	39,628,670